



City of Marietta
Meeting Minutes
CITY COUNCIL SPECIAL MEETING

205 Lawrence Street
Post Office Box 609
Marietta, Georgia 30061

William B. Dunaway, Mayor
Betty Lou Hunter, Ward 1
M. C. (Pete) Waldrep, Jr., Ward 2
John V. Sinclair, Ward 3
G. A. (Andy) Morris, Sr., Ward 4
Rev. Anthony Coleman, Ward 5
James W. King, Ward 6
Philip M. Goldstein, Ward 7

Monday, November 29, 2004

5:15 PM

4th Floor Conference Room

Presiding: William B. Dunaway

Present: Betty Lou Hunter, M. C. "Pete" Waldrep, Jr., John Vincent Sinclair, G. A. "Andy" Morris, Rev. Anthony Coleman, James W. King and Philip M. Goldstein

Also Present:

William F. Bruton, Jr., City Manager

Douglas R. Haynie, City Attorney

Shelia R. Hill, City Clerk

CALL TO ORDER:

Mayor William B. Dunaway called the meeting to order 5:15 p.m.

BUSINESS:

20041306 Resolution Approving the Center City South Renaissance Redevelopment Project

Resolution amending the Center City South Renaissance Redevelopment area and tax allocation district #1 (Center City South Renaissance) to expand the boundaries of the redevelopment area; to establish the tax increment base and adopt a redevelopment plan for the area; and to create a tax allocation district within the expanded redevelopment area.

Public Hearing Required

City Attorney Douglas Haynie disclosed that Georgia Law prohibits any elected official from voting on matters regarding the Tax Allocation Districts (TAD) if they have purchased property in the proposed districts within two years of the initial creation. Any elected official previously owning property in these areas would not be required to abstain from voting nor would they have to disclose that information.

Mayor Dunaway opened the floor for public comment regarding the Center City South Renaissance Redevelopment TAD expansion and the Franklin/Gateway Redevelopment TAD.

Robbie Huck, who resides at 191 Summit Avenue, requested Council consider postponement or denial of the TAD proposals. Mrs. Huck expressed concern for the valuable aspects of the neighborhood such as calm streets, old trees and undeveloped space of the community if the proposals were approved.

Greg Linton, who resides at 160 South Avenue, expressed concern with the amount of funds spent by the city to acquire property in these districts. This action may require the property to be sold to the highest bidder to recoup the losses, in addition to allowing developers creative authority.

In that no one else came forward to speak, Mayor Dunaway closed the public comment and called for a motion.

A motion was made by Council member Hunter, seconded by Council member Sinclair, that this matter be Approved. The motion carried by the following vote:

Vote: 6 - 1 - 0

Approved

Vote Against: 1 - Rev. Anthony Coleman

20041307

Franklin/Gateway Redevelopment Tax Allocation District

Resolution to approve the creation of the Franklin/Gateway Redevelopment area and tax allocation district #2 - Franklin/Gateway; to designate the boundaries of the redevelopment area; to establish the tax increment base and adopt a redevelopment plan for the area; and to create a tax allocation district within the redevelopment area.

Public Hearing Required

Mayor Dunaway opened the floor for public comment regarding the Franklin/Gateway Redevelopment TAD. Seeing no one wishing to speak, Mayor Dunaway called for a motion.

A motion was made by Council member Goldstein, seconded by Council member Sinclair, that this matter be Approved. The motion carried by the following vote:

Vote: 6 - 1 - 0

Approved

Vote Against: 1 - Rev. Anthony Coleman

20041305

MOU with Madison Retail, LLC

Motion to approve the action of the Marietta Redevelopment Corporation Board on November 17, 2004, which approved the extension of the MOU with Madison Retail for sixty (60) days and authorized the negotiation of a Master Development Agreement between the MRC and Madison Retail.

Executive Director of the Marietta Redevelopment Corporation (MRC) Gary Mongeon presented a summary of the actions taking by the MRC at their last meeting, notes from the neighborhood stakeholders meeting and the visual site

plans for the esplanade of Marietta. During their last meeting, the MRC recommended continuing with the redevelopment plans for the Johnny Walker Homes property by negotiating with Madison Retail for another 60 days for the purpose of reaching a Master Development Agreement. The major decisions the MRC made was to approve the alternative site plan that Madison Retail presented and to limit the maximum amount of the Tax Allocation District (TAD) financing to \$5.3 million. Staff was also instructed to continue to explore financing alternatives to obtain a way of financing the \$5.3 million the best way possible. The TAD financing is contingent on Madison Retail paying \$1.5 million for the entire site, which is roughly half of the total property assembly cost.

The land payment would be reduced to \$1.5 million if the city were successful in obtaining a 25-year financing at an interest rate of 7.125%, which would also provide sufficient financing to meet the \$5.3 million TAD commitment. There are other options available to improve on the financing payoff such as successfully completing all the projects within the expanded City Center TAD over the next 15 years. That would result in a total investment of \$325 million, which would produce about \$91 million in future increments over and above what are currently paid in terms of property taxes by all existing property owners. Some of the potential uses for future increments over the next 25-years are debt service on TAD bonds, the debt coverage reserves fund and repayment of the TAD for the Manget Street Project.

Discussion was held regarding the discrepancies in the bond payoff schedules where some calculations show 25 years, some show 13 years and still others show 30 years. Mr. Mongeon stated that by financing the bond for 25 years and accruing a reserve to pay down the principal, the bond could be paid off earlier than 25 years. This would also eliminate other interests costs and allow the bond to be paid off sooner. The calculations showing a payoff in 13 years did not take into account the chosen financing option and simply divided the request TAD contribution by the projected annual tax payments. By approving the \$5.3 million TAD financing, payoff for the project was estimated at 30 years. However, staff has continued to research other favorable financing options and it would seem that the bond payoff could be achieved in 20-25 years.

Further discussion was held regarding the completion of all the projects within the expanded City Center TAD that would result in a total investment of \$325 million and produce about \$91 million in future increments. Questions were raised about other potential uses for these funds in terms of bond payoffs for other areas such as Clay Homes. Mr. Mongeon mentioned that the debt service payments would cover investments in these other neighborhoods.

Mayor Dunaway opened the floor for public comment regarding the Memorandum of Understanding with Madison Retail.

Gordan Brands, who resides at 108 McDonald Street, felt that the Madison Retail proposal should be rejected or the developer held to the condition of installing traffic devices to protect the residents in the neighborhood.

Mary West, who resides at 260 Wright Street, stated that she does not oppose the development, however, would like the city to be proactive regarding the traffic issues that would occur as a result of the development.

Holly Walquist, who resides at 361 N Hillcrest Drive, mentioned that she wanted several issues considered before moving ahead with the Madison Retail proposal. In order to have a quality development issues such as the effects of increased traffic in the area, additional green space with the development, the necessity of four entry points, the installation of a traffic light on Powder Springs Road and the effects of having a gated community separating the neighborhood, need consideration.

Mayor Dunaway closed the public comment and called for a motion.

A motion was made by Council Member Waldrep, seconded by Council member Morris to deny the proposal and extension of the Memorandum of Understanding (MOU) with Madison Retail. The motion was carried by the following vote:

Vote: 4 - 2 - 1

Denied

Vote Against: 2 - Betty L. Hunter and Rev. Anthony Coleman

Abstain: 1 - Philip M. Goldstein

Mayor Dunaway vetoed the motion.

(The official veto of the amendment by Mayor Dunaway is on file in the City Clerk's Office.)

Motion to override the veto.

Council member King first thanked the MRC board for efforts they have put into this project, however, he does not believe this proposal is the best alternative. Council member King stated that in terms of a TAD, he envisioned the financial contribution being used to develop infrastructure. The infrastructure, meaning public owned roads, highways, streets, sidewalks and parks, fits with the spirit of what a TAD should be. All redevelopment options should be explored since this project will impact us all for many.

Council member Sinclair expressed concern with the public losing faith in the city council through this process and urged careful consideration of council's next actions.

Mayor Dunaway echoed the statements made by Council member King regarding the great work done by the MRC and Gary Mongeon. Although, he also believes that Madison Retail would produce a quality development that would be in the best interest of the city.

The motion was made by Council member Waldrep, seconded by Council member King, to override the Veto. The motion failed by the following vote:

Vote: 4 - 1 - 2

Veto Upheld

Vote Against: 1 - Betty L. Hunter

Abstain: 2 - Rev. Anthony Coleman and Philip M. Goldstein

City Attorney Douglas Haynie explained that the motion to deny the proposal and extension of the MOU with Madison Retail passed; however, the veto eliminated the motion to deny. Therefore, no action has been taken regarding Madison Retail. Mr. Haynie also mentioned that the current MOU would expire on November 30, 2004.

A motion was made by Council member Sinclair to adjourn the City Council Special Meeting. The motion failed for lack of a second.

20041325 Actions of the Marietta Redevelopment Corporation

Motion to approve any other motion or motions related to the Johnny Walker property, which could include commencement of negotiations with other bidders on the site and/or which could include a motion or motions related to the development, financing, disposition or redevelopment of the property.

City Attorney Douglas Haynie explained that this particular agenda item was intended for any other actions the council deemed appropriate regarding the Johnny Walker Homes site. At this point, the Memorandum of Understanding with Madison Retail will expire Tuesday, November 30, 2004, and after that date the agreement with Madison Retail will no longer exist. A special called meeting could be called before that time, after giving 24-hour notice, to take action to prevent the expiring of the MOU. In addition, the MOU could be extended after the expiration date if both parties consent.

Discussion was held regarding the option of putting the Johnny Walker property out for bid and whether stipulations should be attached. Council suggested that staff draft a document with a proposed use for the Johnny Walker Homes site.

Motion directing staff to bring back a working document/proposal for consideration at the Committee of the Whole meeting concerning the Johnny Walker Homes property.

A motion was made by Council member Waldrep, seconded by Council member King, that this matter be Referred to the COMMITTEE OF THE WHOLE. The motion carried by the following vote:

Vote: 6 - 1 - 0

Referred

Vote Against: 1 - Philip M. Goldstein

20041344 Civil Service General Election Results

Motion to approve the certification of the Civil Service General Election Results for the Post 4 vacancy re-electing Lawrence (Larry) A. Panetta to the Marietta Civil Service Board. The new 3-year term will begin on January 1, 2005 and expire on December 31, 2007.

A motion was made by Council member King, seconded by Council member Goldstein, that this matter be Approved. The motion carried by the following vote:

Vote: 7 - 0 - 0

Approved

ADJOURNMENT:

A motion was made by Council member King, seconded by Council member Goldstein and carried unanimously, to adjourn the meeting. The meeting adjourned at 6:17 p.m.

Date Approved: December 8, 2004

William B. Dunaway, Mayor

Shelia R. Hill, City Clerk